

## FACT SHEET

SUBJECT: Material Handling Equipment (MHE) Prime Vendor (PV)

BACKGROUND:

- The Materiel Handling industry is divided into four major customer segments. "Move Materiel" is one of these customer segments. USTRANSCOM is one of the major customers.
- Research determined approximately 50% of their budget was allocated to logistics products. Based on this, USTRANSCOM directed us to one of their three major commands, the USAF Air Mobility Command (AMC). AMC identified the 463L Cargo Loading System as a candidate for a PV initiative.
- DSCP met with Dover AFB, one of the largest users of the 463L Cargo Loading System and the largest and busiest cargo lifting air base in the east. During fact-finding meetings, we found one of Dover's major concerns was not having a reliable source for parts for their older loaders.

DISCUSSION:

- The logistics solution is a partnership arrangement with AMC/Dover which provides a wide range of special parts required for the various loaders used in the 463L Cargo Loading System.
- Contract calls for Customers to order directly from a prime vendor, and the required items are supplied from the vendor to the customers' designated delivery sites. The number of items available in the catalog is based on individual installation preferences. Customers can expect competitive pricing, three day delivery of commercial off-the-shelf items, 24 hour service for emergency orders, brand name preference, bills-of-materials orders for specific projects to be assembled, held, and delivered 100% complete by the prime vendor to wherever and whenever the customer requires, and the ability to return excess materials ordered.
- A commitment from Dover AFB was received to act as the initial prototype site. In addition, Travis AFB, Dover's West Coast counterpart, was also included in the prototype acquisition.
- The scope of this contract allows for the addition of other lifting devices and MHE equipment support. We therefore expect to add other military services, such as Army and Navy which use MHE.

- Contract was awarded in November 1999 and is currently being implemented at Dover.
- Secondary roll out will include Army and Navy bases with significant material handling equipment usage.
- Follow-on contracts are expected from the other 11 AMC bases in the United States.
- Potential Army, Navy, and Marine bases concurrent with AMC implementation.
- The cargo lifting bases in Europe and the Pacific will be added in the future.

RECOMMENDATION: For information only.

APPROVED: General and Industrial Director

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